TN Opposes Power Distribution Privatisation: Study

A study commissioned by the 16th Finance Commission analyzed electricity distribution in Tamil Nadu.

The news discusses a study on the financial performance of Tamil Nadu's electricity distribution companies and the state's stance against privatization.

KEY EXAM POINTS

- A study by **Prayas**, a **Pune**-based non-governmental and non-profit body, analyzed electricity distribution in **Tamil Nadu**.
- The study was commissioned by the **16th Finance Commission** to assess the **financial performance** of electricity distribution companies.
- The study's finding reiterates that **privatization of power distribution** is not required in **Tamil Nadu**.
- Tamil Nadu **Minister for Energy Resources** **R. Nirmalkumar** asserted that **electricity distribution** would not be privatised in the State.
- **Government funding** helps narrow the gap between the **average cost of supply** and average revenue realisation of the **TNPDCL**.

DID YOU KNOW..!?

The **Finance Commission** is a constitutional body established under **Article 280** of the **Indian Constitution**.

The primary role of the Finance Commission is to define the **financial relations** between the **central government** and the **state governments**.

The **Tamil Nadu** Generation and Distribution Corporation Limited (**TANGEDCO**) is responsible for **power generation and distribution** in **Tamil Nadu**.

Privatization refers to the **transfer of ownership**, property, or business from the **government to the private sector**.

Prayas is a **non-governmental organization** (NGO) based in **Pune**, India, working on energy, health, and other social issues.

The **Tamil Nadu Minister for Energy Resources** oversees the state's **energy policy** and **power sector management**.

REVISION FLASHCARD

16th Finance Commission commissioned study on TN power distribution, concluding no privatization needed.

Syllabus Relevance: High

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